

The Reality Between the Two Myths of Sudden Money

People have a habit of thinking about Sudden Money in extreme ways: either it's good or it's bad. But that's largely because of all of the stories we've heard, which are really cultural biases we've internalized and believe to be facts, and the media and literature perpetuates them. Meanwhile, the real culprit in the failure to manage a Sudden Money-related change has nothing to do with the money; it has to do with change. And unless those involved are aware of the impact of change, problems can easily and quickly arise.

Awareness of change as a process is the first step to creating success with Sudden Money. Transitions require the adjustment and management of expectations, and that must be respected. For example, we know that your energy level changes during times of major life change, and that there are transition skills you can develop to minimize the impact of your internal changes. Rest, which sounds easy enough to do and sounds like the obvious solution to fatigue, might not be so easy to achieve and might actually have to be worked on. If you don't, your exhaustion can negatively affect everything from your health to your sex life to your decision-making, and the results can be irreparable and life altering. But we haven't been conditioned to focus on what it takes to move through transitions. As a result, we concentrate on the concrete, countable side of money.

When you study behavioral finance, you discover that getting it right or wrong with Sudden Money is about success or failure with managing change. The average person doesn't know how to manage the experience of change from beginning to completion. They were never given the tools to deal with the shifts in relationships, self-perception, and self-worth. Change is an integral part of the human experience, yet we aren't taught a process that might increase our probability of success when it comes to change and money. And then when failure occurs, usually due to personal issues such as withdrawal, fragmented thinking, or fear, the money is blamed, because it's the money that we're comfortable counting, naming . . . recognizing. Even financial professionals back away, unable to help, and likely frustrated, as no one has taught them what questions to ask and what to look out for. No one has taught them how to guide their clients through transitions. No one has given them a process.

The good news is that after over a decade of studying and thousands of hours working with people in transition, we've identified a process and tools to guide clients through their Sudden Money experience. And we've found that most people are well suited for managing major life changes and succeeding at their transitions from *what was* to *what will be*. All they need is: process, tools, and guidance.

Process: We now understand that there are three, definable stages of transitions, and we also understand how our minds and bodies respond during those stages. We have been able to study the

difficulties facing people in transition, and we have developed proactive strategies for either preventing them or lessening their impact. For example, psychologists tell us that “stress equals regress,” which means that when we are under stress our executive functions suffer. Our ability to plan, to see the big picture, and to sort and organize information isn’t at an optimal or even a normal level. Part of the transition process is to address only the issues that are truly urgent or pose a threat to your well-being, and to prioritize and order all the others, to be addressed over months rather than weeks.

Tools: We have developed four tools for advisors to use that will guide clients through transitions. Each has protocols refined by years of practical experience. First, there is Communication Preference, which demonstrates the dedication to using methods and means of communicating that are preferred by the client, not established in advance by the advisor. Second is the Decision Free Zone, which allows the client the time and space to process the human side of transition without the burden of having to make unnecessary decisions. Third is the Purpose Method Outcome protocol, which helps the client clearly explain the difference the achievement of an objective will make in their lives. And the fourth tool is the SMI One Page Overview, which follows a specific formula to clearly illustrate complex concepts resulting in understanding and confident decision making.

Guidance: Much is said about professional predators who can spot someone weakened by money transitions a mile away. There are checklists you can use to make sure you have avoided the worst ones. But the less-talked about, yet equally difficult problem is working with someone with honorable intentions and excellent credentials, but who isn’t trained in Financial Transitions Planning. Anyone experiencing a major life transition will be best served by someone trained in their profession as well as in transition guidance.

Our fast-paced culture has created people who value expediting everything. We don’t want to experience change; we want to get to our new normal as quickly as possible. But after studying financial transitions for over a decade, we have learned that rushing is often a recipe for disaster. Or at least regret. Professionals educated in the architecture of change know how vulnerable you can be when your world is transitioning, and they have the clarity and the skill to guide you up to the highest peak of your new normal.